

AFR 170-13. IMS's entitlement to expenses and eligibility such as travel, transportation, living allowances, subsistence, medical care, and burial will be as stated in chapters 8 and 9.

*a.* All AFOs or other offices that forward invoices to higher headquarters for payment will submit invoices on a controlled transmission basis.

*b.* The AFO or other office will include in each applicable invoice package a preaddressed acknowledgment form letter, AF Form 74 (Communication Status Notice/Request) that can be returned to the originating office. If acknowledgment is not received within 15 days after forwarding, the sending office will conduct a follow-up.

## **Chapter 6**

### **Letters of Offer and Acceptance for the Sale of U.S. Military Training**

#### **Section I**

#### **Use and Preparation**

##### **6-1. General**

The Letter of Offer and Acceptance (LOA), when signed, is an international binding agreement used by the U.S. Government (USG) to offer to sell defense articles and defense services to a foreign country or international organization. The LOA lists the items, services, estimated costs, terms, and conditions of the sale, and requires the signature of a representative of the foreign country or international organization to indicate acceptance.

*a.* Detailed guidance on the use and processing of Amendments and Modifications is in the SAMM, chapter 7.

*b.* Preparation of LOAs for training is discussed in paragraphs 6-2 through 6-9.

##### **6-2. Purpose of the Letter of Offer and Acceptance (LOA)**

The LOA will be used for all foreign military sales of defense articles and defense services, which includes training. Also, when authorized for release to the foreign purchaser, the LOA becomes the official offer by the USG.

*a.* The following denote acceptance on the part of the purchaser of the terms and conditions—

(1) Signature by an authorized representative of the purchasing country.

(2) Receipt of the initial deposit and copies of the LOA by DFAS-DE-F and the MILDEP.

*b.* Additional terms and conditions as may be appropriate for a particular sales case will be set forth in one or more attachments or continuation sheets to the LOA. All attachments, including notes, annexes, and appendices, are an integral part of the LOA.

##### **6-3. LOA development**

Development of an LOA may involve one or more of the statutes that authorize foreign military sales.

*a.* Those AECA and FAA sections that pertain to FMS training cases are as follows:

(1) *Section 21, AECA.* Sale of defense articles and services.

(2) *Section 22, AECA.* DOD procurement for sales.

(3) *Section 23, AECA.* DOD direct credit extended to a purchaser.

(4) *Section 24, AECA.* DOD guaranteed credit.

(5) *Section 503(a)(3), FAA.* Use of MAP funds for obligation authorities (OAs).

*b.* The SAMM, chapter 7, lists in detail the requirements for preparation of LOAs.

##### **6-4. LOAs for training**

*a.* Training in support of major equipment sales can include the development of operator, maintenance, logistical, and other support skills. In support of such sales, accurate and early planning must be accomplished to complete the following before equipment arrival—

(1) Conduct a training assessment survey.

(2) Determine both CONUS and OCONUS training requirements.

(3) Develop training Program and Availability (P&A) information for country approval.

(4) Request, process, and accept LOAs and complete financial requirements.

(5) Screen and select IMSs for required ELT and other preparatory training.

(6) Conduct training required to operate and maintain equipment.

*b.* Each LOA will include the date upon which the offer expires.

*c.* Requests by the purchaser for extensions to expiration dates must be in writing. These requests will be granted only after a full review by the preparing agency to ensure that all data included in the LOA remain valid. The purchaser will be advised by message of the new expiration date, along with the authorization to make a pen and ink

change to the expiration date listed on the LOA or amendment. DFAS-DE-F and DSCA must be provided an information copy of the message.

*d.* It is not FMS practice to provide a detailed description of the components of costs included in estimated prices for line items on LOAs. When such queries are received from the purchaser, the elements of tuition cost, as outlined in DOD 7000.14-R, Vol 15, may be provided. Detailed information on tuition computation will not be provided unless specifically authorized on a case-by-case basis by DSCA.

*e.* The obligation authority will be issued by DFAS-DE-F only after the receipt of the duly executed LOA and initial deposit if required.

*f.* To ensure uniformity of LOAs for training, certain notes or supplemental conditions must be included in the LOA. These various notes or conditions are published by each MILDEP. Special training cases involving long lead-time and special training assets will necessarily require various caveats, notes, and explanations to legally and administratively define the case. These notes will be prepared to adequately protect the interests of the USG and the purchaser.

*g.* LOAs for defined training should, wherever possible, include firm scheduling of IMSs into specific training courses. When this is not feasible, a statement will be included in the LOA to the effect that the convening date and scheduling information will be provided when available. LOAs must specify the purchasing government's responsibilities; for example, providing pay and allowances, funds for housing, qualified IMSs, and any required supervision of these IMSs.

#### **6-5. Amendments to the LOA**

Amendments should be used to meet only minimum essential administrative needs. They may be used for minor changes in scope when such use is essential for administrative reasons.

#### **6-6. Modifications**

Modifications are used to record modifications to an existing LOA, which do not constitute a change in scope.

#### **6-7. FMS price increases**

For price increase notifications, the following information, if applicable, will be included:

- a.* Detailed reason for the increase.
- b.* Options the purchaser has, if any, with respect to avoiding the price increases, for example, contract termination or reduction of quantities.
- c.* Estimated financial consequences of selecting such options.
- d.* Time limits, if any, for notifying the USG of the purchaser's desire to cancel or reduce quantities.

#### **6-8. Liability for damages**

Training cases which involve the use of U.S. equipment (for example, aircraft and trucks), and which, due to special pricing requirements, do not include an attrition factor, will include a statement on liability for damages. It will state that the foreign government will be liable for any damage to such equipment due to negligence on the part of the student.

### **Section II**

#### **Department of the Army**

#### **6-9. LOA functions**

*a.* The FMS Control Division of DSCA will submit FMS cases to Congress, as required. It will also countersign FMS cases before formal offer is released. No implementing agency is authorized to release LOAs without a DSCA countersignature.

*b.* SATFA will—

- (1) Maintain the LOA training case designator file.
- (2) Assign case designators for all Army FMS training cases to include those prepared overseas. (Designators

consist of three letters starting with the letter “O” in alphabetic sequence; for example, OAA, OAB ... OBA, OBB ... OCA, OCB.)

(3) Issue the obligation authority-customer order to each CONUS school and or USASATMO based on the implemented FMS case.

(4) Prepare LOAs, amendments, modifications, and related forms according to AR 12-1 for CONUS training and OCONUS training teams furnished from CONUS sources by the U.S. Army.

(5) Forward copies of all proposed LOAs, amendments, and modifications to USASAC.

(6) Obtain from each CONUS school or training activity all required bills, using SF 1080, supported by copies of each IMS’s ITO or other obligating documents.

(7) Reimburse each CONUS school or training installation or command for training and services.

c. USASAC will—

(1) Coordinate the release of LOAs to the country according to prescribed procedures.

(2) Receive accepted FMS cases and, upon completion of financial requirements, forward the form to SATFA, other appropriate commands, and each Service school conducting training.

(3) Make required input into the management information system (RCS DSCA 1200).

d. Oversea Army commands and agencies will prepare LOAs for training that they provide. Before releasing formal offers to the customer country, these commands or activities will obtain release authority from DSCA according to current operating procedures. They will ensure that proper action is taken to update the DSCA ADP system. SATFA and USASAC will act as the agent for USAREUR in accomplishment of the above. (Note: USASAC writes FMS (Materiel and Service) cases for USAREUR/STRICOM when allies utilize MILES equipment for home station and CMTC training.)

## **6–10. Blanket order (BO) FMS cases**

a. Training cases will normally be prepared as BO. While defined-line training cases can be written, because of the inherent administrative difficulties with defined-line cases, they should be kept to a minimum.

b. BO FMS cases are prepared in an estimated dollar amount. (See (4) below.) When the country accepts a BO FMS case and deposits funds and DFAS-DE-F issues the OA, execution of the program is authorized without all the time constraints outlined in a above. As the defined program develops, SATFA will forward the standardized training listing (STL) to the SAO for appending to the LOA.

c. The following policies and procedures govern BO FMS cases:

(1) The earliest training date on a BO case will normally be at least 90 days after the date the LOA is forwarded to USASAC by SATFA; however, exceptions, which do occur, will be properly coordinated by SATFA among involved agencies.

(2) BO FMS cases are normally prepared in one of two ways.

(a) For a dollar amount specified by the country, with the detailed list of required courses to be developed as required throughout the life of the case.

(b) For a dollar amount at least 10 percent in excess of the detailed training requirement as known at the time of preparation.

## **6–11. Procedures**

a. Upon receipt of a country’s request for P&R or P&A data for U.S. Army training, SATFA will coordinate the providing of such data, and the requestor will be informed. The requestor will also be queried as to acceptance, and whether the new or existing FMS case should be used and, if not known, what country agency should receive the case for signature. Any agency receiving a request for P&R data directly from the SAO or country will ensure that DSCA coordination is obtained on responses to requests that apply to major defense agreements.

b. SATFA, USASATMO, and the potential training agency (if different from TRADOC) will be expeditiously informed of client requests for an LOA stimulated by the P&A data or of the client rejection of a P&A proposal. SATFA will assign a case designator upon acceptance of the P&A, inform all concerned, and take action to enter the data into the letter of request (LOR) ADP system. This action is required to comply with U.S. legislation and to preclude delays in the release of the LOA if the case is to be completed.

c. SATFA prepares LOAs for CONUS training and CONUS-furnished SA teams, obtaining any additional necessary data from the training command, if other than TRADOC, or from USASATMO in the case of SA team cases.

d. Once a case designator is assigned and entered into the LOR system, it is important that SATFA be notified of any later cancellation of the case, so that it may be transferred to an inactive or canceled status.

e. The preparing agency will forward the required data to SATFA to facilitate the preparation of the LOA. SATFA will prepare the LOA and forward it to DSCA for DSCA countersignature before release to the country according to prescribed procedures.

## **Section III**

### **Department of the Navy (DON)**

#### **6-12. Navy functions**

The DON will follow procedures in section I of this chapter.

## **Section IV**

### **Department of the Air Force**

#### **6-13. Supplemental conditions**

Air Force LOAs will include appropriate supplemental conditions for training. Approved supplemental conditions are included in the Case Management and Control System. Requested or recommended changes to LOA supplemental conditions must be forwarded to SAF/IAX for review, coordination, and approval.

#### **6-14. Blanket Order (BO) FMS training cases**

*a.* AFSAT will prepare and coordinate Air Force training “T” cases according to DSCA and SAF/IAX prescribed procedures. AFSAT case managers will prepare BO training cases unless the purchaser justifies and is granted approval for a defined order training case by SAF/IAX. This will allow the Air Force to be more responsive to changing purchaser’s training needs and is in the interest of saving time, manpower, and costs involved in amending defined order cases.

*b.* FMS training cases will be prepared for a minimum of \$20,000 unless the requesting service’s annual training requirements have been for a lesser amount.

## **Chapter 7**

### **Invitational Travel Orders**

## **Section I**

### **Use and Preparation**

#### **7-1. Basic document**

The issuance of ITOs, whether under IMET or FMS, is required for all IMSs under SATP sponsorship to provide recognition of the military status of the IMSs. It is the controlling document for authorized training terms, conditions, and privileges. The ITO is also the basic document used for accounting purposes. In addition, it provides guidance to the appropriate agencies to determine which support is payable. The SAO will issue separately numbered ITOs for each IMS except for orientation tours. One ITO is sufficient for all the participants of an OT. OTs are the only exception.

#### **7-2. Format**

*a.* The standard ITO, DD Form 2285 (Invitational Travel Order (ITO) for International Military Students (IMS)) (figure 7-1) and letter format ITO generated by the Training Management System (TMS) are the only authorized documents that will be used for IMSs furnished training under the provisions of this regulation. The DD Form 2285 or the TMS generated ITO will be used and are valid only for IMSs entering U.S. training under the FAA or the AECA. The form will not be altered or shortened.

*b.* Figure 7-2 gives instruction for completing DD Form 2285.

*c.* For training at USARSA, IAAFA and NAVSCIATTS countries in the SOUTHCOM and USACOM regions may attach a native language translation to the DD Form 2285.

#### **7-3. Original ITO and copies**

*a.* A signed original of the ITO will be considered by the training installation as final authorization for admission of the IMS named therein to the courses listed in item 8 of the ITO. If an IMS arrives at a training installation without a signed original, the training installation will notify higher headquarters and will not enter the IMS into training until approval is received. It is emphasized that each IMS must have in his or her possession the original ITO, bearing an original signature and not a facsimile. Certain U.S. commands and activities will not disburse funds on a document bearing non-original signature.

*b.* If determined that the original ITO of the IMS was lost, a copy of the ITO may be certified as an original by adding in item 15 the following certification: “I certify that my original ITO was lost and that if the original is located later, no further claims will be submitted on the basis of recurrent copy of orders. If the original is located, it will be